

PREVAILED

Roll Call No. \_\_\_\_\_

FAILED

Ayes \_\_\_\_\_

WITHDRAWN

Noes \_\_\_\_\_

RULED OUT OF ORDER

## HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that Engrossed Senate Bill 287 be amended to read as follows:

- 1           Page 9, between lines 37 and 38, begin a new paragraph and insert:  
2           "SECTION 15. IC 6-1.1-4-4.5, AS AMENDED BY P.L.228-2005,  
3           SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4           JANUARY 1, 2008]: Sec. 4.5. (a) The department of local government  
5           finance shall adopt rules establishing a system for annually adjusting  
6           the assessed value of real property to account for changes in value in  
7           those years since a general reassessment of property last took effect.  
8           (b) Subject to subsection (e), the system must be applied to adjust  
9           assessed values beginning with the 2006 assessment date and each year  
10          thereafter that is not a year in which a reassessment becomes effective.  
11          (c) The rules adopted under subsection (a) must include the  
12          following characteristics in the system:  
13               (1) Promote uniform and equal assessment of real property within  
14               and across classifications.  
15               (2) Require that assessing officials:  
16                    (A) reevaluate the factors that affect value;  
17                    (B) express the interactions of those factors mathematically;  
18                    (C) use mass appraisal techniques to estimate updated property  
19                    values within statistical measures of accuracy; and  
20                    (D) provide notice to taxpayers of an assessment increase that  
21                    results from the application of annual adjustments **at least**  
22                    **thirty (30) days before the date the statement required**  
23                    **under IC 6-1.1-22-8.1 must be mailed by the county**  
24                    **treasurer.**

(3) Prescribe procedures that permit the application of the adjustment percentages in an efficient manner by assessing officials.

(d) The department of local government finance must review and certify each annual adjustment determined under this section.

(e) In making the annual determination of the base rate to satisfy the requirement for an annual adjustment under subsection (a), the department of local government finance shall determine the base rate using the methodology reflected in Table 2-18 of Book 1, Chapter 2 of the department of local government finance's Real Property Assessment Guidelines (as in effect on January 1, 2005), except that the department shall adjust the methodology to use a six (6) year rolling average instead of a four (4) year rolling average."

Page 15, line 5, delete "assessor (or township assessor in the case of a county" and insert "**assessor**".

Page 15, line 6, delete "containing a consolidated city)".

Page 15, line 6, delete "or".

Page 15, line 7, delete "township assessor".

Page 16, delete lines 39 through 42.

Page 17, line 1, delete "(17) If:" and insert "**(16) If**".

Page 17, delete lines 2 through 3.

Page 17, line 4, delete "(B)".

Page 17, run in lines 1 through 4.

Page 17, line 5, delete ";" and insert ",".

Page 17, run in lines 5 through 6.

Page 20, between lines 38 and 39, begin a new paragraph and insert:

"SECTION 30. IC 6-1.1-11-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]: Sec. 9. (a) Except as provided in subsection (b), ~~of this section~~, all property otherwise subject to assessment under this article shall be assessed in the usual manner, whether or not it is exempt from taxation.

(b) No assessment shall be made of property which is owned by the government of the United States, this state, an agency of this state, or a political subdivision of this state if the property is used, and in the case of real property occupied, by the owner. **However, a claim for a payment in lieu of property taxes may be made as provided in IC 6-1.1-21.3.**"

Page 70, line 41, strike "or".

Page 71, line 2, delete "." and insert "; **or**".

Page 71, between lines 2 and 3, begin a new line block indented and insert:

**"(10) the county has not provided notice of increased assessments under IC 6-1.1-4-4.5 in a timely manner under IC 6-1.1-4-4.5(c)(2)(D)."**

Page 71, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 59. IC 6-1.1-21.3 IS ADDED TO THE INDIANA

CODE AS A NEW CHAPTER TO READ AS FOLLOWS  
[EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]:

**Chapter 21.3. Payments in Lieu of Property Taxes**

**Sec. 1.** As used in this chapter, "department" refers to the department of natural resources.

**Sec. 2.** As used in this chapter, "land" refers to land described in section 5 of this chapter.

**Sec. 3.** As used in this chapter, "fund" refers to the PILOT transfer fund established under section 11 of this chapter.

**Sec. 4.** As used in this chapter, "PILOT" refers to a distribution to a county under this chapter that is in lieu of property taxes on land located in the county.

**Sec. 5.** Upon the submission of a claim under section 10 of this chapter, a county in which land:

(1) owned or leased by the department on March 1 of the previous year; and

(2) exempt from the payment of property taxes; is located is entitled to receive a PILOT under this chapter.

**Sec. 6.** Subject to section 13 of this chapter, the PILOT required to be paid to a county for a year is equal to the amount determined under STEP FIVE of the following formula:

**STEP ONE:** For each taxing district in the county, determine the number of acres of land that are located in the taxing district.

**STEP TWO:** Multiply the STEP ONE amount by the base rate determined for the assessment date in the previous year.

**STEP THREE:** Divide the STEP TWO result by one hundred (100).

**STEP FOUR:** Multiply the STEP THREE result by the property tax rate in the taxing district in which the land is located for property taxes first due and payable in the year.

**STEP FIVE:** Subtract from the STEP FOUR result the property tax replacement credit under IC 6-1.1-21-5 that would apply to the land in the taxing district if a property tax equal to the STEP FOUR amount were imposed on the land.

**STEP SIX:** Determine the sum of the STEP FIVE amounts for all land located in the county.

**Sec. 7. (a)** Not later than September 1 of the year preceding the year in which a PILOT is due, the auditor of state shall provide the county assessor of each county in which land is located with a report of:

(1) the number of acres of land that are located in each taxing district in the county on the assessment date in that year;

(2) the parcel numbers or key numbers of the land referred to in subdivision (1); and

(3) any other information specified by the department of local government finance.

(b) The auditor of state shall provide the report required by subsection (a):

(1) on a form prescribed by the department of local government finance; or

(2) with the consent of the department of local government finance, in an electronic format.

**Sec. 8. The department of local government finance:**

(1) shall prescribe a form for the report required under section 7 of this chapter; and

(2) may adopt standards for the reporting of information under section 7 of this chapter that are necessary to assist counties, conservancy districts, and other political subdivisions with the implementation of this chapter.

**Sec. 9. A county assessor shall annually provide the county auditor and the county treasurer with the information from the report provided under section 7 of this chapter that is necessary for the county assessor and county treasurer to prepare a claim for a PILOT. The information must be delivered on the schedule specified by the county auditor and the county treasurer.**

**Sec. 10. The county treasurer shall submit to the auditor of state a claim for a PILOT for a particular year at the same time that the county treasurer issues property tax statements under IC 6-1.1-22-8. The claim shall be computed in accordance with the formula in section 6 of this chapter. A county treasurer may submit an amended claim for a PILOT in accordance with the policies prescribed by the auditor of state.**

**Sec. 11. (a) The PILOT transfer fund is established to provide money for the distributions of PILOTS to counties. The auditor of state shall administer the fund.**

**(b) The expenses of administering the fund shall be paid from money in the fund.**

**(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.**

**(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund. However, if the fund at the end of a state fiscal year exceeds seven million dollars (\$7,000,000), the auditor of state shall transfer the excess from the fund as follows:**

**(1) Sixty-five and forty-two hundredths percent (65.42%) in the state forestry fund for purposes of the state forestry fund.**

**(2) One and twenty-five hundredths percent (1.25%) in the general fund for purposes of the department of local government finance data base management.**

**(3) Thirty-three and thirty-three hundredths percent (33.33%) in the state fair fund for purposes of the state fair fund.**

**The amount transferred is continuously appropriated for the**

purposes to which the money is transferred.

**Sec. 12.** The auditor of state shall pay PILOTS from the fund. The maximum amount payable to a county for a particular year is the least of the following:

(1) The amount determined for the county under section 6 of this chapter.

(2) The amount determined under section 13 of this chapter.

**Sec. 13. (a)** This section applies only if the total amount of PILOTS payable in a year to all counties under section 6 of this chapter is greater than the amount available in the fund.

(b) If the amount in the fund is less than the amount necessary to pay all claims for PILOTS for a particular year, the amount of the PILOT payable to a county in which land is located is reduced to the amount determined under STEP FOUR of the following formula:

**STEP ONE:** Determine the amount of the PILOT that otherwise would be payable to the county under section 6 of this chapter.

**STEP TWO:** Determine the sum of the STEP ONE amounts for all counties in which land is located.

**STEP THREE:** Divide the STEP ONE amount by the STEP TWO amount, rounded to the nearest ten thousandth (0.0001).

**STEP FOUR:** Multiply the amount available for distribution from the fund for the particular year by the STEP THREE result.

**Sec. 14.** The budget agency shall establish the schedule on which distributions are made under this chapter. To the extent possible, distributions shall be made in equal installments not later than fifteen (15) regular business days after each semiannual settlement date under IC 6-1.1-27-3.

**Sec. 15.** There is continuously appropriated from the fund the amount necessary to make the distributions required by this chapter.

**Sec. 16.** A PILOT for a county shall be distributed to the county treasurer. The county treasurer shall distribute the amount of a PILOT to each taxing unit in the county in which land is located in proportion to the tax rate imposed by each taxing unit on the land not later than the next settlement date after the money is received by the county treasurer. A taxing unit shall treat money received under this section as a levy excess and deposit the money in the taxing unit's levy excess fund under IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7 for the purpose of reducing property tax levies in the year following the year in which the PILOT is imposed."

Page 92, between lines 28 and 29, begin a new paragraph and insert:  
"SECTION 83. IC 14-23-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]:

Sec. 3. (a) Annually there shall be levied and collected as other state taxes are levied and collected the amount of sixteen hundredths of one cent (\$0.0016) upon each one hundred dollars (\$100) worth of taxable property in Indiana.

(b) The money collected shall be deposited as follows:

(1) An amount equal to the levy resulting from one hundred fifty-seven thousandths of one cent (\$0.00157) of the rate imposed for property taxes first due and payable in 2006 shall be paid deposited into the fund. The money collected

(2) An amount equal to the levy resulting from three thousandths of one cent (\$0.00003) imposed for property taxes first due and payable in 2006 is appropriated to the budget agency for purposes of department of local government finance data base management.

(3) The amount not deposited under subdivisions (1) and (2) shall be deposited into the PILOT transfer fund established under IC 6-1.1-21.3-11.

SECTION 84. IC 15-1.5-8-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]:  
Sec. 4. The auditor of state shall deposit revenue from the tax as follows:

(1) An amount equal to the amount of the tax levy that was first due and payable in 2006 shall be deposited into the fund.

(2) The excess over the amount described in subdivision (1) shall be deposited into the PILOT transfer fund established under IC 6-1.1-21.3-11."

Page 123, delete lines 5 through 12.

Page 124, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 127. [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)] (a) IC 6-1.1-21.3, as added by this act, applies to assessment dates after February 28, 2006.

(b) In cooperation with the auditor of state, the department of local government finance shall, not later than August 1, 2007, prescribe a form for the auditor of state to report the information needed to carry out IC 6-1.1-21.3-7, as added by this act. The form shall be used for the determination of payments in lieu of property taxes payable in 2007 and 2008. Notwithstanding IC 6-1.1-21.3, as added by this act, a county auditor may bill a PILOT that is due for 2007 not later than the later of the following:

(1) October 1, 2007.

(2) Thirty (30) days after the county auditor receives the information described in IC 6-1.1-21.3-7, as added by this act, for the assessment date in 2006.

(c) This SECTION expires January 1, 2009."

Renumber all SECTIONS consecutively.

(Reference is to ESB 287 as printed April 6, 2007.)

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Representative Koch